

ANNUAL REPORT  
OF THE  
CENTRAL INDIANA TRANSIT STUDY COMMITTEE



Indiana Legislative Services Agency  
200 W. Washington Street, Suite 301  
Indianapolis, Indiana 46204

November, 2013

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# **CENTRAL INDIANA TRANSIT STUDY COMMITTEE**

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### **Staff**

**Ross Hooten**  
**Attorney for the Committee**  
**Sarah Freeman**  
**Attorney for the Committee**  
**Stephanie Wells**  
**Fiscal Analyst for the Committee**

A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.in.gov/legislative/>.

## **I. STATUTORY DIRECTIVE**

The Indiana General Assembly enacted legislation directing the Committee to do the following:

- (1) Identify diverse potential funding sources for bus and bus rapid transit.
- (2) Study all existing funding sources and expenditures concerning bus transit in central Indiana.
- (3) Study the use of the public mass transportation fund established by IC 8-23-3-8.
- (4) Study the ridership numbers of the public transportation corporations serving Marion County.
- (5) Study ways to improve bus service in central Indiana, including improvements to the types of buses used and whether bus routes should be changed.
- (6) Study the extent to which bus transit systems can be supported by the users of bus transit systems.
- (7) Study the feasibility of entering public-private partnerships to expand bus transit.
- (8) Study whether tax credits for employers and employees who use bus transit will expand the ridership of bus transit systems.
- (9) Study the feasibility of light rail transportation, routes for light rail, and potential funding sources for, and impacts of providing, light rail transportation.
- (10) Identify ways in which private enterprise may provide transportation options in central Indiana.
- (11) Study the feasibility of using public-private partnerships for purposes of public transportation.
- (12) Study the issue of whether a referendum should be used in the process of establishing a transit district and, if a referendum should be used in the process, when the referendum should occur, and make recommendations to the general assembly on these issues, which may not include a recommendation for the holding of referendum before November 2014.
- (13) Study other issues associated with bus transit and light rail as determined by the committee. (HEA 1011-2013, SECTION 3)

## **II. SUMMARY OF WORK PROGRAM**

The Committee met on the following dates:

- (1) August 5, 2013.
- (2) September 10, 2013.
- (3) October 3, 2013.
- (4) October 31, 2013.
- (5) November 21, 2013.

### **III. SUMMARY OF TESTIMONY**

The Committee heard from witnesses who urged the Committee to recommend legislation allowing local governments in Central Indiana to implement public transportation improvements proposed by Indy Connect Now.

For some, the goal is to improve access and mobility for the disabled, the elderly, and others who do not drive and must use public transportation. Others supported the proposal out of concern for the environment. The goal of reducing traffic congestion was also cited for supporting the proposal.

An expressed purpose of Indy Connect Now is to use public transportation to drive economic development. Supporters of the proposal suggested that improving public transportation in Central Indiana is necessary for attracting investment and talent to the region.

The Committee also heard concerns about the cost of the proposal and that the region's population isn't sufficiently dense to support the proposal.

The Committee received information relating to the capacity of the counties in the region to raise money for public transportation.

Indy Connect Now and IndyGo presented alternative proposals that are not as expansive as the original. The Committee was assured that the alternatives offered sufficient improvement to the public transportation system to drive economic development.

### **IV. COMMITTEE RECOMMENDATIONS**

The Committee recommends that the General Assembly enact legislation to enable Delaware, Hamilton, Johnson, Madison, and Marion counties to establish or improve public transit systems.

The Committee recommends including the following components in the enabling legislation:

- (1) That the legislation apply only to Delaware, Hamilton, Johnson, Madison, and Marion counties.
- (2) That the following procedures must be followed independently in each county to finance and carry out public transit improvements in the counties:
  - (A) Adoption of a fiscal body ordinance to place a local public question on the ballot in the following format:

"Shall \_\_\_\_\_ County have the ability to impose:
    - (1) a county economic development income tax rate, not to exceed a rate of \_\_\_\_\_ (insert recommended rate included in the ordinance authorizing the local public

- question); and  
(2) a business tax on corporations in the form of \_\_\_\_\_ (insert the type of tax proposed in the ordinance authorizing the local public question) and at the rate of \_\_\_\_\_ (insert recommended rate included in the ordinance authorizing the local public question); to pay for improving or establishing public transportation service in the county through a public transportation project that \_\_\_\_\_ (insert the description of the public transportation project set forth in the ordinance authorizing the local public question)?".  
(B) Passage of the local public question  
(C) Adoption of fiscal body ordinances to impose taxes approved in the local public question.

(3) That the following revenue sources are authorized for funding public transit improvements:

- (A) County economic development income taxes (CEDIT)  
(i) Imposed at rate of at least 0.10% but not more than 0.25%.  
(ii) Made available by allowing the fiscal body to adopt an ordinance to use for public transit purposes some or all of the existing authority to impose a rate of up to 0.25% to mitigate property tax shifts that resulted from removing business inventory from property taxation.
- (B) A county tax imposed by ordinance of the fiscal body on C corporations. Initial tax rates are determined using the estimated annual operating costs for the first five years of the approved public transit improvements in the county. The fiscal body shall select either of the following corporate tax options:  
(i) A county corporate income tax on the adjusted gross income of the corporation derived from the county.  
(ii) A county employment tax imposed per full-time employee.
- (C) Fares, federal grants, and other revenue sources.

(4) That the use of the authorized revenues is subject to the following conditions:

- (A) That fares must cover at least 25% of the total operating costs of the transit system.  
(B) That the operating costs of any existing transit system in the county are included in the requirements of (A).  
(C) That the selected corporate tax must cover at least 10% of the total operating costs of the approved public transit improvements.

(D) That tax rates may not be rescinded or reduced if the taxes are pledged to repay bonds.

(5) That the cost of equipment or other personal property is considered an operating cost if the equipment or other personal property has a useful life of less than 3 years or is not depreciable for federal income tax purposes.

(6) That bonds may be issued for the public transit improvements in the name of the county using procedures similar to the procedures required for county road and bridge bonding.

(7) That public transit improvements authorized by the voters may be carried out through any of the following arrangements:

(A) A county may carry out the public transportation improvements in accordance with the powers granted to the county under current law by IC 36-9-2 and the enabling legislation.

(B) The fiscal body may adopt an ordinance authorizing a public transportation corporation to carry out the improvements in accordance with the powers granted to the public transportation corporation under current law by IC 36-9-4 and subject to the appropriating power of the fiscal body and any other powers reserved for the fiscal body by the enabling statute.

(C) The fiscal body of a county may adopt an ordinance authorizing the executive of the county to enter into an interlocal agreement with the executive of the other county to jointly carry out the public transit improvements approved by the voters of the respective counties.

(D) The fiscal body may adopt an ordinance authorizing the executive of the county to enter into one (1) or more public-private partnership contracts under which the public transit improvements are carried out, in whole or in part, by one (1) or more nongovernmental entities.

## WITNESS LIST

Christine Altman, Central Indiana Regional Transportation Authority  
Stephen Avery  
Mayor Greg Ballard, Indianapolis  
Chancellor Charles Bantz, IUPUI  
Don Bauder, Tea Party of Hamilton County  
Mayor James Brainard, Carmel  
Robin Brandgard, Plainfield Town Council  
Mayor John Ditslear, Noblesville  
Nicholas Donohue, Transportation4America  
Ron Gifford, Indy Connect Now  
Pastor Al Goertemiller, Pilgrim Lutheran Church  
Anna Tyskiewicz Gremling, Indianapolis Metropolitan Planning Organization  
John Griffin, Central Indiana Building & Construction Trades  
Michael Hicks, Ball State University  
Kim Irwin, Health by Design  
Roger Hollands, Anderson-Muncie Public Transportation Coalition  
Walter Kelly  
Jim Landers, Legislative Services Agency  
Sara Laycock, Metropolitan Indianapolis Board of Realtors  
June Lyle, AARP  
Tim Maloney, Hoosier Environmental Council  
Christian Maslowski, Greenwood Chamber of Commerce  
Mo Merhoff, Carmel Chamber of Commerce  
Greg Meyer  
Sarah Meyer, accessABILITY Center for Independent Living  
Sean Northrup, Indianapolis Metropolitan Planning Organization  
David Read, Tea Party of Hamilton County  
Mike Rosiello, United Way of Central Indiana  
Dwayne Sawyer, Brownsburg Town Council  
Bill Schneider  
Pastor Eugene Simmons, New Covenant Christian Life Center  
Mayor Kevin Smith, Anderson  
Michael Terry, IndyGo  
David Thomas  
Sen. Brent Waltz  
Carly Weidman, Indiana Citizens' Alliance for Transit  
Abigail Weingardt, Indiana Department of Transportation  
Troy Woodruff, Indiana Department of Transportation